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Spy operation called a fantasy

By Pam McClintock
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Before Richard Craig Smith admitted to giving the Soviets classified information on six U.S. double-agent operations, he told law enforcement officers that he had conned a KGB officer into giving him \$11,000 for nothing — an idea he once had for a novel.

FBI agents testified yesterday that they did not believe Mr. Smith's story and that, after a series of interviews over a nine-month period, he confessed to turning over secret information in 1982 and 1983 to a KGB officer in Tokyo.

The testimony in U.S. District Court in Alexandria came as the government continued to present its case against Mr. Smith, a former Army counterintelligence officer on trial for espionage.

Mr. Smith, who directed double-agent operations while working with the Army's Intelligence and Security Command from 1973 to 1980, claims that he was working for the Central Intelligence Agency when he turned over the information to the Soviets.

The government, however, contends that Mr. Smith sold the information because he was faced with financial ruin.

Michael J. Waguespack, an FBI agent specializing in counterintelligence, testified yesterday that Mr. Smith admitted in February 1984 that he had turned over the information. He was arrested two months later.

According to testimony yesterday, Mr. Smith previously told FBI agents that he had conned Soviet KGB officer Victor I. Okunev into giving him the money.

Mr. Smith also told FBI agents that he thought of himself as a character out of a James Thurber novel who fantasized about being a romantic character to escape a boring existence, FBI agent Ronald W. Hilley testified.

After Mr. Smith had explained the cloak-and-dagger procedures followed when meeting the Soviets, the FBI office in San Francisco used the procedures to successfully contact a Soviet in late 1983, special agent Lawrence E. Williams testified.

Yesterday a tape of the conversation between Mr. Williams and the Soviet contact, who believed he was talking to Mr. Smith, was played for the jury. The Soviet contact said that he hoped Mr. Smith could come to Tokyo.

The government is expected to finish presenting its case today, and then the defense will call its witnesses.